

SENATE BILL NO. 242—SENATOR SCHNEIDER

MARCH 13, 2009

Referred to Committee on Energy, Infrastructure and Transportation

SUMMARY—Enacts provisions relating to energy efficiency, renewable energy and building construction. (BDR 58-378)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted-material] is material to be omitted.

AN ACT relating to energy; requiring the Director of the Office of Energy within the Office of the Governor to adopt regulations setting forth standards of efficiency for certain appliances; requiring a portion of the annual assessment levied on public utilities and certain other entities by the Public Utilities Commission of Nevada to be allocated to the Office of Energy; requiring certain contractors to offer upgrades for renewable energy and energy efficiency; requiring certain contractors assisting buyers in obtaining financing to offer, or work with lenders that offer, energy efficient mortgages; requiring licensees of the Real Estate Division of the Department of Business and Industry to make certain information about energy efficiency in residential property available to each party to a real estate transaction; revising continuing education requirements relating to energy efficiency for real estate brokers, real estate broker-salesmen, real estate salesmen, mortgage brokers and certified or licensed real estate appraisers; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 **Section 1** of this bill enacts provisions requiring the Director of the Office of
2 Energy within the Office of the Governor to adopt regulations setting forth
3 minimum standards of efficiency for appliances that have not received an Energy
4 Star label in accordance with federal law. **Section 2** of this bill requires that a
5 portion of the annual assessment levied on public utilities and certain other entities
6 by the Public Utilities Commission of Nevada for the use of the Commission, in an



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amount determined by the Interim Finance Committee of not more than 0.05 mills, be allocated to supplement the budget of the Office of Energy. (NRS 704.033)

Section 4 of this bill: (1) requires a contractor to offer certain upgrades for renewable energy and energy efficiency to a person who negotiates to purchase a single-family residence which will be built by the contractor as part of a development of 25 or more single-family residences; (2) requires a contractor to offer information about retrofitting certain upgrades for renewable energy and energy efficiency to a person who negotiates to purchase a single-family residence which has already been built by the contractor as part of a development of 25 or more single-family residences; and (3) requires the Director of the Office of Energy to adopt regulations establishing minimum standards of efficiency for each type of upgrade. **Section 5** of this bill requires a contractor who arranges financing for the purchase of a single-family residence which is built by the contractor as part of a development of 25 or more single-family residences to offer, or work with a lender that offers, the option for the buyer to apply for an energy efficient mortgage which is comparable to those offered by the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal Housing Administration, the Department of Housing and Urban Development and the Department of Veterans' Affairs. If the contractor does not arrange financing for buyers, **section 5** requires the contractor to provide information to buyers concerning energy efficient mortgages.

Section 8 of this bill requires licensees of the Real Estate Division of the Department of Business and Industry to distribute free of charge to each party to a real estate transaction written information which is available publicly and which is designed to assist in the identification, evaluation and selection of energy efficiency and conservation features in residential property. **Sections 11, 12 and 13** of this bill amend the continuing education requirements for real estate brokers, real estate broker-salesmen, real estate salesmen, mortgage brokers and certified or licensed real estate appraisers to include a requirement for training in energy efficiency and conservation features in residential property. (NRS 645.575, 645B.051, 645C.440)

Sections 11.5 and 13.5 of this bill allow a new component to be added to an existing course of continuing education without the Division requiring the course to be accredited or approved as a new course or charging accreditation or approval fees for the course. (NRS 645.830, 645C.450)

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 701 of NRS is hereby amended by adding thereto a new section to read as follows:

The Director shall adopt regulations setting forth minimum standards of efficiency for appliances that have not received an Energy Star label in accordance with the program established pursuant to 42 U.S.C. §§ 6294a et seq.

Sec. 2. NRS 704.033 is hereby amended to read as follows:

704.033 1. Except as otherwise provided in subsection ~~6.7~~ 7, the Commission shall levy and collect an annual assessment from all public utilities, providers of discretionary natural gas service and alternative sellers subject to the jurisdiction of the Commission.



2. Except as otherwise provided in subsections 3 and ~~[4.]~~ 5, the annual assessment must be:

(a) For the use of the Commission, not more than 3.50 mills; and

(b) For the use of the Consumer's Advocate, not more than 0.75 mills,

on each dollar of gross operating revenue derived from the intrastate operations of ~~[such]~~ *those* utilities, providers of discretionary natural gas service and alternative sellers in the State of Nevada. The total annual assessment must be not more than 4.25 mills.

3. The levy for the use of the Consumer's Advocate must not be assessed against railroads.

4. *A portion of the levy for the use of the Commission, in an amount determined by the Interim Finance Committee of not more than 0.05 mills, must be allocated to supplement the budget of the Office of Energy within the Office of the Governor.*

5. The minimum assessment in any 1 year must be \$100.

~~[5.]~~ 6. The gross operating revenue of the utilities must be determined for the preceding calendar year. In the case of:

(a) Telecommunication providers, except as *otherwise* provided in paragraph (c), the revenue shall be deemed to be all intrastate revenues.

(b) Railroads, the revenue shall be deemed to be the revenue received only from freight and passenger intrastate movements.

(c) All public utilities, providers of discretionary natural gas service and alternative sellers, the revenue does not include the proceeds of any commodity, energy or service furnished to another public utility, provider of discretionary natural gas service or alternative seller for resale.

~~[6.]~~ 7. Providers of commercial mobile radio service are not subject to the annual assessment and, in lieu thereof, shall pay to the Commission an annual licensing fee of \$200.

Sec. 3. Chapter 624 of NRS is hereby amended by adding thereto the provisions set forth as sections 4 and 5 of this act.

Sec. 4. *1. A contractor shall offer a choice of upgrades for renewable energy and energy efficiency to a person who negotiates to purchase a single-family residence which will be built by the contractor as part of a development of 25 or more single-family residences. The upgrades may be offered in a package, but the contractor shall allow the person to select individual upgrades and shall not require the selection of an entire package. Qualifying upgrades include, without limitation:*

(a) Awnings and shutters;

(b) Cool roof coating;

(c) Energy efficient appliances;



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- (d) A ground source heat pump;
- (e) Low-emissivity windows;
- (f) A programmable thermostat;
- (g) Ridge vents;
- (h) A system for solar energy that:

(1) Consists of a photovoltaic solar collector, or other device for photovoltaic solar energy, that has a primary purpose of providing for the collection, storage and distribution of solar energy for the generation of electricity; and

(2) Produces an average of at least 2 kilowatts of alternating current of electricity;

(i) A system for solar thermal energy that has a primary purpose of providing for the collection, storage and distribution of solar energy for the production of hot water or air for space heating or water heating; and

(j) A charging station for an electric vehicle.

2. A contractor shall provide information on retrofitting qualifying upgrades for renewable energy and energy efficiency set forth in subsection 1 to a person who negotiates to purchase a single-family residence which the contractor has already built as part of a development of 25 or more single-family residences.

3. The Director of the Office of Energy within the Office of the Governor shall adopt regulations establishing minimum standards of efficiency for each type of qualifying upgrade.

Sec. 5. 1. A contractor who:

(a) Directly or through an affiliate, subsidiary or other related entity arranges financing for the purchase of a single-family residence which is built by the contractor as part of a development of 25 or more single-family residences shall offer, or work with a lender that offers, the option for the buyer to apply for an energy efficient mortgage.

(b) Does not arrange financing for the purchase of a single-family residence specified in paragraph (a) shall provide to the purchaser, free of charge, written information concerning energy efficient mortgages which must include, without limitation, the information concerning energy efficient mortgages available publicly from the United States Department of Energy, the Environmental Protection Agency, the Federal Housing Administration and the Department of Housing and Urban Development.

2. The energy efficient mortgage offered pursuant to paragraph (a) of subsection 1 must be comparable, as determined by the Director of the Office of Energy within the Office of the Governor, to the energy efficient mortgages offered by the Federal National Mortgage Association, the Federal Home Loan



1 *Mortgage Corporation, the Federal Housing Administration, the*
2 *Department of Housing and Urban Development and the*
3 *Department of Veterans' Affairs.*

4 3. As used in this section, "energy efficient mortgage" means
5 a mortgage which credits the energy efficiency of a home in the
6 mortgage by providing borrowers with the opportunity to finance
7 cost-effective and energy-saving measures as part of a single
8 mortgage and by increasing debt-to-income qualifying ratios on
9 loans.

10 **Sec. 6.** Chapter 645 of NRS is hereby amended by adding
there to the provisions set forth as sections 7 and 8 of this act.

12 **Sec. 7.** *"Residential property" has the meaning ascribed to it*
13 *in NRS 113.100.*

14 **Sec. 8.** *A licensee shall provide, free of charge, to each party*
15 *to a real estate transaction written information which is available*
16 *publicly and which is designed to assist a person in the*
17 *identification, evaluation and selection of energy efficiency and*
18 *conservation features in residential property. The written*
19 *information must include, without limitation, information relating*
20 *to:*

- 21 1. *Appliances;*
- 22 2. *Building materials used in homes;*
- 23 3. *Cool roofs;*
- 24 4. *Energy efficient mortgages and financing;*
- 25 5. *"Green" home certification programs;*
- 26 6. *Heating and cooling systems, including water heating*
27 *systems;*
- 28 7. *Home energy audits and ratings;*
- 29 8. *Insulation;*
- 30 9. *Landscaping;*
- 31 10. *Lighting and day lighting;*
- 32 11. *Passive solar heating;*
- 33 12. *Solar electricity;*
- 34 13. *Water-conserving devices; and*
- 35 14. *Windows.*

36 **Sec. 9.** NRS 645.0005 is hereby amended to read as follows:
37 645.0005 As used in this chapter, unless the context otherwise
38 requires, the words and terms defined in NRS 645.001 to 645.042,
39 inclusive, *and section 7 of this act* have the meanings ascribed to
40 them in those sections.

41 **Sec. 10.** NRS 645.194 is hereby amended to read as follows:
42 645.194 1. The Division shall prepare a booklet that provides
43 relevant information concerning the disclosures that are required by
44 federal, state and local laws and regulations by a buyer and a seller
45 in a transaction involving the sale of residential property.



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2. The Division shall make copies of the booklet prepared pursuant to subsection 1 available to licensees which the licensee must distribute to prospective buyers and sellers in the sale of residential property in accordance with the regulations adopted by the Commission.

3. The Commission shall approve the format and content of the information that must be included in the booklet.

~~[4. As used in this section, "residential property" has the meaning ascribed to it in NRS 113.100.]~~

Sec. 11. NRS 645.575 is hereby amended to read as follows:

645.575 1. The Commission shall adopt regulations that prescribe the standards for the continuing education of persons licensed pursuant to this chapter.

2. The standards adopted pursuant to subsection 1 must permit alternatives of subject material, taking cognizance of specialized areas of practice and alternatives in sources of programs considering availability in area and time. The standards must include, where qualified, generally accredited educational institutions, private vocational schools, educational programs and seminars of professional societies and organizations, other organized educational programs on technical subjects, or equivalent offerings. The Commission shall qualify only those educational courses that it determines address the appropriate subject matter and are given by an accredited university or community college. Subject to the provisions of this section, the Commission has exclusive authority to determine what is an appropriate subject matter for qualification as a continuing education course.

3. In addition to any other standards for continuing education that the Commission adopts by regulation pursuant to this section, the Commission may, without limitation, adopt by regulation standards for continuing education that:

(a) Establish a postlicensing curriculum of continuing education which must be completed by a person within the first year immediately after initial licensing of the person.

(b) Require a person whose license as a real estate broker or real estate broker-salesman has been placed on inactive status for any reason for 1 year or more or has been suspended or revoked to complete a course of instruction in broker management that is designed to fulfill the educational requirements for issuance of a license which are described in paragraph (d) of subsection 2 of NRS 645.343 ~~§~~ before the person's license is reissued or reinstated.

4. In addition to any other standards for continuing education that the Commission adopts by regulation pursuant to this section, the Commission shall adopt by regulation standards for continuing education that require a person who holds a license



1 *as a real estate broker, real estate broker-salesman or real estate*
2 *salesman to complete instruction in energy efficiency in*
3 *residential property which:*

4 *(a) Includes, without limitation, instruction concerning each*
5 *energy efficiency and conservation feature set forth in section 8 of*
6 *this act; and*

7 *(b) Is offered as a component of another qualified course of*
8 *continuing education for which the Division does not charge an*
9 *accreditation fee pursuant to NRS 645.830.*

10 **5.** Except as otherwise provided in this subsection, the license
11 of a real estate broker, broker-salesman or salesman must not be
12 renewed or reinstated unless the Administrator finds that the
13 applicant for the renewal license or for reinstatement to active status
14 has completed the continuing education required by this chapter.
15 Any amendment or repeal of a regulation does not operate to
16 prevent an applicant from complying with this section for the next
17 licensing period following the amendment or repeal.

18 **Sec. 11.5.** NRS 645.830 is hereby amended to read as follows:

19 645.830 1. ~~[The]~~ *Except as otherwise provided in subsection*
20 *3, the* following fees must be charged by and paid to the Division:

21	
22	For each original real estate broker's, broker-
23	salesman's or corporate broker's license\$105
24	For each original real estate salesman's license.....85
25	For each original branch office license120
26	For real estate education, research and recovery to be
27	paid at the time an application for an original
28	license is filed40
29	For real estate education, research and recovery to be
30	paid at the time an application for renewal of a
31	license is filed40
32	For each renewal of a real estate broker's, broker-
33	salesman's or corporate broker's license180
34	For each renewal of a real estate salesman's license140
35	For each renewal of a real estate branch office license.....110
36	For each penalty for late filing of a renewal for a
37	broker's, broker-salesman's or corporate broker's
38	license95
39	For each penalty for late filing of a renewal for a
40	salesman's license75
41	For each change of name or address20
42	For each transfer of a real estate salesman's or broker-
43	salesman's license and change of association or
44	employment.....20



1	For each duplicate license where the original license	
2	is lost or destroyed, and an affidavit is made	
3	thereof	\$20
4	For each change of broker status from broker to	
5	broker-salesman	20
6	For each change of broker status from broker-	
7	salesman to broker	40
8	For each reinstatement to active status of an inactive	
9	real estate broker's, broker-salesman's or	
10	salesman's license	20
11	For each reinstatement of a real estate broker's license	
12	when the licensee fails to give immediate written	
13	notice to the Division of a change of name or	
14	business location	30
15	For each reinstatement of a real estate salesman's or	
16	broker-salesman's license when he fails to notify	
17	the Division of a change of broker within 30 days	
18	of termination by previous broker	30
19	For each original registration of an owner-developer	125
20	For each annual renewal of a registration of an owner-	
21	developer	125
22	For each enlargement of the area of an owner-	
23	developer's registration	50
24	For each cooperative certificate issued to an out-of-	
25	state broker licensee for 1 year or fraction thereof	150
26	For each original accreditation of a course of	
27	continuing education	100
28	For each renewal of accreditation of a course of	
29	continuing education	50
30	For each annual approval of a course of instruction	
31	offered in preparation for an original license or	
32	permit	100

2. The fees prescribed by this section for courses of instruction offered in preparation for an original license or permit or for courses of continuing education do not apply to:

(a) Any university, state college or community college of the Nevada System of Higher Education.

(b) Any agency of the State.

(c) Any regulatory agency of the Federal Government.

3. *If a new component is added to the curriculum of an existing course of continuing education, the Division shall not require the course to be accredited as a new course and shall not charge and collect the fee for the original or renewal accreditation of the course pursuant to subsection 1.*



1 **4.** The Commission shall adopt regulations which establish the
2 fees to be charged and collected by the Division to pay the costs of
3 any investigation of a person's background.

4 **Sec. 12.** NRS 645B.051 is hereby amended to read as follows:

5 645B.051 1. Except as otherwise provided in this section, in
6 addition to the requirements set forth in NRS 645B.050, to renew a
7 license as a mortgage broker:

8 (a) If the licensee is a natural person, the licensee must submit to
9 the Commissioner satisfactory proof that the licensee attended at
10 least 10 hours of certified courses of continuing education during
11 the 12 months immediately preceding the date on which the license
12 expires.

13 (b) If the licensee is not a natural person, the licensee must
14 submit to the Commissioner satisfactory proof that each natural
15 person who supervises the daily business of the licensee attended at
16 least 10 hours of certified courses of continuing education during
17 the 12 months immediately preceding the date on which the license
18 expires.

19 2. The Commissioner may provide by regulation that if a
20 person attends more than 10 hours of certified courses of continuing
21 education during a 12-month period, the extra hours may be used to
22 satisfy the requirement for the immediately following 12-month
23 period and for that immediately following 12-month period only.

24 3. *In addition to any other standards for continuing*
25 *education that the Commissioner adopts by regulation pursuant to*
26 *NRS 645B.0138, the Commissioner shall adopt by regulation*
27 *standards for continuing education that require a licensee to*
28 *complete a course of instruction which:*

29 (a) *Includes, without limitation, instruction related to energy*
30 *efficient mortgages and financing; and*

31 (b) *Is offered as a component of another qualified course of*
32 *continuing education.*

33 4. As used in this section, "certified course of continuing
34 education" means a course of continuing education which relates to
35 the mortgage industry or mortgage transactions and which meets the
36 requirements set forth by the Commissioner by regulation pursuant
37 to NRS 645B.0138.

38 **Sec. 12.5.** NRS 645C.340 is hereby amended to read as
39 follows:

40 645C.340 1. Each application for an examination for a
41 certificate or license must be accompanied by the fees established
42 by the Division pursuant to subsection ~~2~~ 3 of NRS 645C.450.

43 2. The examination must test the applicant on his knowledge
44 and understanding of:



(a) Subjects applicable to the type of certificate or license for which he is applying; and

(b) Laws regarding the practice of preparing and communicating appraisals, including the provisions of this chapter and any regulations adopted pursuant thereto.

3. The Division may hire a professional testing organization to create, administer or score the examination.

Sec. 13. NRS 645C.440 is hereby amended to read as follows:

645C.440 1. The Commission shall adopt regulations governing the continuing education of certified or licensed appraisers. The regulations must include the criteria for approving each course and the requirements for submission of proof of attendance at a course.

2. In approving courses for continuing education , the Commission shall authorize a variety of subjects and give consideration to specialized areas of practice and the availability of programs. An appropriate educational course given by an accredited university or community college must be approved by the Commission.

3. In addition to any other standards for continuing education that the Commission adopts by regulation pursuant to this section, the Commission shall adopt by regulation standards for continuing education that require a certified or licensed appraiser to complete instruction in energy efficiency in residential property which:

(a) Includes, without limitation, instruction concerning each energy efficiency and conservation feature set forth in section 8 of this act; and

(b) Is offered as a component of another qualified course of continuing education for which the Division does not charge an approval fee pursuant to NRS 645C.450.

Sec. 13.5. NRS 645C.450 is hereby amended to read as follows:

645C.450 1. ~~{The}~~ *Except as otherwise provided in subsection 2, the* following fees may be charged and collected by the Division:

Application for a certificate, license or registration card.....	\$100
Issuance or renewal of a certificate or license as a residential appraiser	290
Issuance or renewal of a certificate as a general appraiser	390
Issuance of a permit	115
Issuance or renewal of a registration card.....	190



1	Issuance of a duplicate certificate or license for an	
2	additional office	\$50
3	Change in the name or location of a business	20
4	Reinstatement of an inactive certificate or license.....	30
5	Annual approval of a course of instruction offered in	
6	preparation for an initial certificate or license	100
7	Original approval of a course of instruction offered	
8	for continuing education	100
9	Renewal of approval of a course of instruction offered	
10	for continuing education	50

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12 2. *If a new component is added to the curriculum of an*
13 *existing course of instruction for continuing education, the*
14 *Division shall not require the course to be approved as a new*
15 *course and shall not charge and collect the fee for an original*
16 *approval or renewal of approval of the course pursuant to*
17 *subsection 1.*

18 3. The Division shall adopt regulations which establish the fees
19 to be charged and collected by the Division to pay the costs of:

20 (a) Any examination for a certificate or license, including any
21 costs which are necessary for the administration of such an
22 examination.

23 (b) Any investigation of a person's background.

24 **Sec. 14.** The Director of the Office of Energy shall adopt
25 the regulations required by section 1 of this act on or before
26 December 31, 2009.

27 **Sec. 15.** 1. This section and section 14 of this act become
28 effective upon passage and approval.

29 2. Section 8 of this act becomes effective:

30 (a) Upon passage and approval for the purpose of taking any
31 actions required by a licensee to provide written information
32 concerning energy efficiency and conservation specified in that
33 section; and

34 (b) On October 1, 2009, for all other purposes.

35 3. Sections 1, 4, 11, 11.5, 12, 13 and 13.5 of this act become
36 effective upon passage and approval for the purpose of adopting
37 regulations and on October 1, 2009, for all other purposes.

38 4. Sections 2, 3, 5, 6, 7, 9, 10 and 12.5 of this act become
39 effective on October 1, 2009.

